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Property tax payers are biggest winners

“Where does the lottery money go?” is among the questions I am asked most often. The lottery and gaming funds consist of profits from the Hoosier Lottery, riverboat casinos, bingo and pari-mutuel horse racing. The distribution of funds is set by statute.

For the 2007 budget year, expenditures from the profits of the Hoosier Lottery, riverboat casinos and other forms of legalized gambling totaled more than \$1 billion.

The largest recipients of gaming profits are Indiana property taxpayers. In FY07, \$486.3 million of gaming funds were dedicated to the Property Tax Replacement Fund to help subsidize local property tax bills through payment of homestead and property tax replacement credits.

The second largest share of the profits, \$236 million, reduces the “license plate tax,” an excise tax Indiana motorists pay annually when renewing their license plates. If you own a vehicle, your license plate tax is reduced by up to 50 percent. To prevent the loss of revenue to schools and local

governments, the state uses gaming profits to make up the otherwise lost revenue.

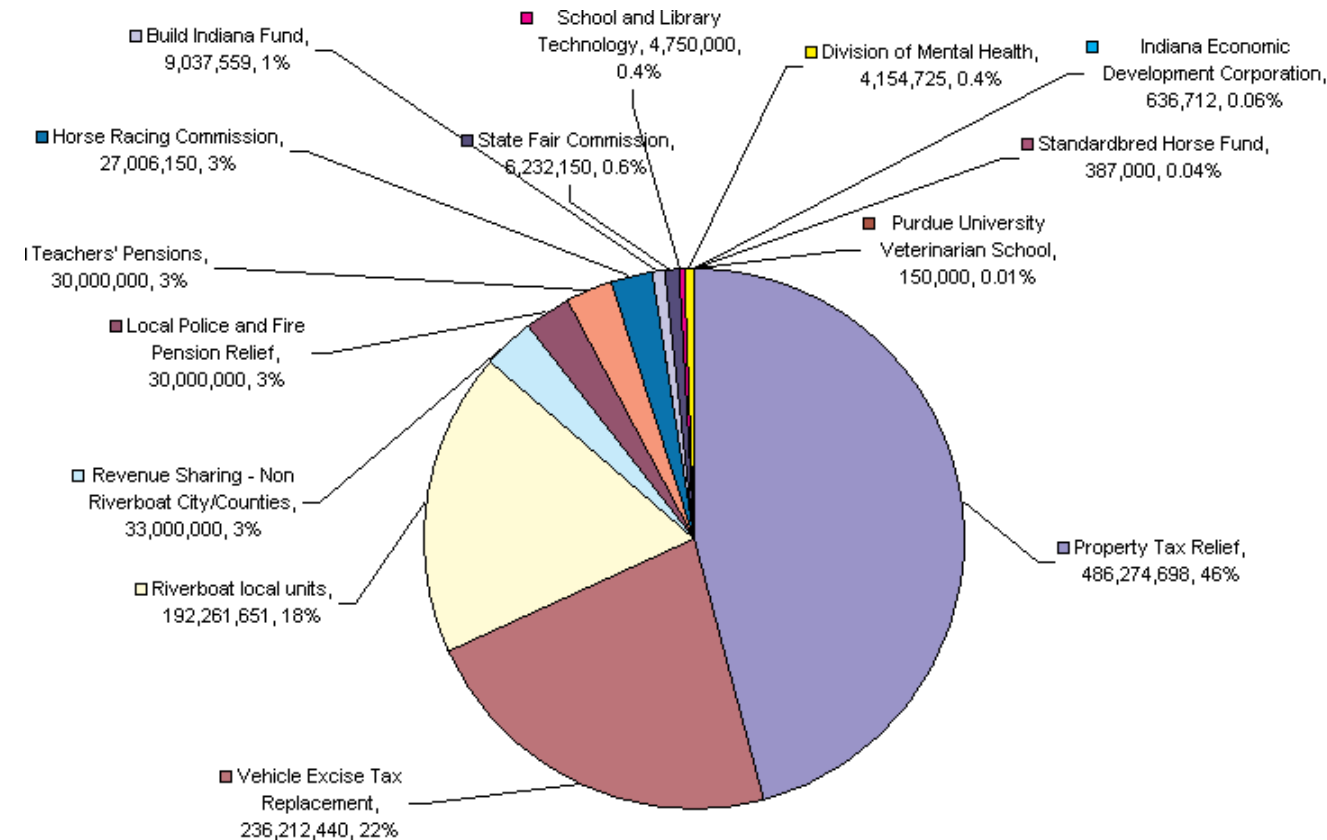
As indicated in the pie chart, local governments and organizations where the riverboat casinos are located shared in \$192.3 million of gaming revenue. Non-riverboat counties received distributions of \$33 million on a per-capita basis.

\$60 million of the gaming monies help fund the pension obligations for teachers, local police officers and firefighters. Gaming funds are also used for computer enhancements and Internet connections in local schools and public libraries. Indiana’s Virtual Library, INSPIRE, is also funded from gaming revenues.

The 2007 General Assembly passed legislation that will permit the operation of slot machines at the state’s two horse race tracks in Anderson and Shelbyville. The facilities are expected to begin operation in 2008. Most of the new tax revenue from these facilities is dedicated to additional property tax relief, including \$300 million for 2007 and \$250 million for 2008. In addition to amounts shown on the pie chart.



2007 Distribution of gaming funds



Gaming Fund Facts:

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